

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7369**

**BILL NUMBER:** HB 1516

**NOTE PREPARED:** Jan 9, 2003

**BILL AMENDED:**

**SUBJECT:** False Campaign Material.

**FIRST AUTHOR:** Rep. Welch

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill has the following provisions:

A) It makes it a Class A misdemeanor for a person to intentionally participate in the preparation, dissemination, or broadcast of paid political advertising or campaign material, or in the drafting of a letter to the editor, that: (1) concerns the personal or political character or act of a candidate or the effect of a ballot question; and (2) is designed to or tends to elect, injure, promote, or defeat the candidate or promote or defeat the public question; if the advertising or campaign material or the letter contains information or a statement that was false and the person knew of the falsity or acted with reckless disregard as to truth or falsity.

B) It exempts a person who merely disseminates or broadcasts the material or letter in the normal course of business.

C) It provides that a candidate for nomination or election to public office (if successful) forfeits the nomination or public office if the candidate commits a violation, unless the candidate's violation was trivial or occurred despite the candidate's good faith.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class A misdemeanor is \$5,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court,

55% of the fee would be deposited in the state General Fund.

**Explanation of Local Expenditures:** A Class A misdemeanor is punishable by up to one year in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

**Explanation of Local Revenues:** If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:**

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:**

**Fiscal Analyst:** Karen Firestone, 317-234-2106